

## STEP 2—ADJUSTED TRIAL BALANCE—Continued

[Increase monthly balances to eliminate negative balances]

	Single-item					
	Taxes			School taxes		
	pmt	disb	bal	pmt	disb	bal
Nov .....	100	0	600	30	0	60
Dec .....	100	700	0	30	0	90
Jan .....	100	0	100	30	0	120
Feb .....	100	0	200	30	0	150
Mar .....	100	0	300	30	0	180
Apr .....	100	0	400	30	0	210
May .....	100	0	500	30	0	240
Jun .....	100	0	600	30	0	270

## STEP 3—TRIAL BALANCE WITH CUSHION

	Single-item					
	Taxes			School taxes		
	pmt	disb	bal	pmt	disb	bal
Jun .....	0	0	800	0	0	330
Jul .....	100	500	400	30	0	360
Aug .....	100	0	500	30	0	390
Sep .....	100	0	600	30	360	60
Oct .....	100	0	700	30	0	90
Nov .....	100	0	800	30	0	120
Dec .....	100	700	200	30	0	150
Jan .....	100	0	300	30	0	180
Feb .....	100	0	400	30	0	210
Mar .....	100	0	500	30	0	240
Apr .....	100	0	600	30	0	270
May .....	100	0	700	30	0	300
Jun .....	100	0	800	30	0	330

## APPENDIX MS—MORTGAGE SERVICING

## Servicing Transfer Information

## APPENDIX MS-1 TO PART 1024

[Sample language; use business stationery or similar heading]

[Date]

**SERVICING DISCLOSURE STATEMENT  
NOTICE TO FIRST LIEN MORTGAGE  
LOAN APPLICANTS: THE RIGHT TO  
COLLECT YOUR MORTGAGE LOAN PAY-  
MENTS MAY BE TRANSFERRED**

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 *et seq.*). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. “Servicing” refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

[We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.]

[or]

[We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.]

[or]

[The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.]

[INSTRUCTIONS TO PREPARER: Insert the date and select the appropriate language under “Servicing Transfer Information.” The model format may be annotated with further information that clarifies or enhances the model language.]